

HOUSE BILL 432

By Weaver

AN ACT to amend Tennessee Code Annotated, Title 4, Chapter 3, Part 7; Title 67, Chapter 4, Part 20 and Title 67, Chapter 4, Part 21, relative to financial assistance for manufacturing facilities engaged in job creation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 3, Part 7, is amended by adding the following as a new section:

4-3-726.

(a) As used in this section:

(1) "Authority" means any regional economic or industrial development authority;

(2) "Department" means the department of economic and community development;

(3) "Eligible county" means a county that:

(A) Prior to July 1, 2014, was designated by the department as a tier two (2) or tier three (3) enhancement county, for purposes of § 67-4-2109(b); and

(B) On or after July 1, 2014, is redesignated by the department as a tier one (1) or tier two (2) enhancement county, respectively; and

(4) "Qualified job" means a job that meets the criteria in § 67-4-2109(a)(6)(A)-(C).

(b) There is created a special account in the state treasury to be administered by the department and to be known as the rural opportunity initiative grant fund, referred to in this section as the “ROI grant fund.”

(c) Moneys in the ROI grant fund shall be allocated and disbursed by the department for the purpose of assisting a manufacturing facility with job training assistance and economic development activities related to the location of the manufacturing facility to an eligible county. These economic development activities include the purchase, lease, grant, construction, reconstruction, or improvement of land, buildings, equipment, public utilities, or other infrastructure.

(d) A grant from the ROI grant fund shall be awarded for a period of four (4) fiscal years, and the funds for the grant shall be disbursed in an annual amount of thirty-five thousand dollars (\$35,000). It is the legislative intent that the annual amount be appropriated each fiscal year in the general appropriations act for awarding a grant.

(e) The department may make a grant only to an authority, which shall use the funds to provide financial assistance to a manufacturing facility for the purpose authorized in subsection (c). A grant shall be awarded only if:

(1) The authority serves an eligible county;

(2) After January 1, 2014, and prior to January 1, 2018, a person or entity places a manufacturing facility in service within the eligible county and makes a capital investment of at least two million five hundred thousand dollars (\$2,500,000); and

(3) The person or entity would have otherwise been entitled to an additional, annual job tax credit under § 67-4-2109(b)(2), had the eligible county not been redesignated to a higher tier as provided in subdivision (a)(3)(B).

(f) After the requirements of subsection (e) are met, the department shall award the grant to an authority serving an eligible county beginning in the first fiscal year in which the manufacturing facility within the eligible county begins production.

(g) To maintain eligibility during the grant period, at least sixty (60) qualified jobs shall be created at the manufacturing facility within twenty-four (24) months following the date on which production begins.

(h) The department shall not allocate grant funds to an authority in any fiscal year in which the eligible county is redesignated from a higher tier to a lower tier.

(i) The department may establish procedures for grant applications, eligibility, and reporting requirements.

(j)

(1) In addition to appropriations made to the ROI grant fund, the department may accept other funds, public or private, by way of gift or grant to the fund.

(2) Moneys in the ROI grant fund may be invested by the state treasurer in accordance with § 9-4-602.

(3) Notwithstanding any law to the contrary, interest accruing on investments and deposits of the fund shall be credited to the ROI grant fund.

(4) Any interest or balance remaining unexpended or unallocated for a grant at the end of a fiscal year in the ROI grant fund shall revert to the general fund.

SECTION 2. The commissioner of economic and community development is authorized to promulgate rules to effectuate the purposes of this act. All such rules shall be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 3. Nothing in this act shall be construed to be an appropriation of funds, and no funds shall be obligated or expended pursuant to this act unless such funds are specifically appropriated by the general appropriations act.

SECTION 4. For purposes of promulgating rules, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect July 1, 2015, the public welfare requiring it.